

**STATE OF INDIANA**  
**DEPARTMENT OF LOCAL GOVERNMENT FINANCE**  
**Indiana Government Center North Room N1058 (B)**  
**Indianapolis, Indiana 46204**

IN THE MATTER OF TAX REQUEST OF )  
GREENFIELD-CENTRAL COMMUNITY )  
SCHOOL CORPORATION (HANCOCK )  
COUNTY) FOR APPROVAL OF A LEASE ) No. 07-024  
WITH GREENFIELD MIDDLE SCHOOL )  
BUILDING CORPORATION )

A petition was filed on behalf of Greenfield-Central Community School Corporation for approval of three lease rental agreements with the Greenfield Middle School Building Corporation:

1. A lease rental agreement with the Greenfield Middle School Building Corporation for renovation and an addition to Greenfield-Central High School for a term of twenty-six (26) years at a lease rental of \$827,500 per payment during renovation payable on June 30 and December 31 beginning on June 30, 2008 through and including December 31, 2010. The school corporation agrees to pay rental at the rate of \$2,386,000 per year during the term of the lease rental agreement. The first full rental installment shall be due on the date the building to be renovated, constructed, and equipped is completed and ready for occupancy or June 30, 2011, whichever is later, with an option to purchase such buildings.
2. A lease rental agreement with the Greenfield Middle School Building Corporation for a new 7th and 8th grade middle school building to be constructed and equipped for a term of twenty-six (26) years at the rate of \$2,350,000 per year during the term of the lease rental agreement. The first rental installment shall be due on the day that the building to be constructed and equipped is completed and ready for occupancy or December 31, 2009, whichever is later, with an option to purchase such building.
3. A lease rental agreement with the Greenfield Middle School Building Corporation for the renovation and equipping of the Weston Elementary School for a term of twenty-six (26) years at a lease rental of \$500,000 per payment during renovation payable on June 30, 2008, December 31, 2008, and June 30, 2009. The school corporation agrees to pay rental at the rate of \$1,250,000 per year during the term of the lease rental agreement. The first rental installment shall be due on the day that the building to be renovated and equipped is completed and ready for occupancy or December 31, 2009, whichever is later, with an option to purchase the building.

The Department of Local Government Finance ("Department"), pursuant to Executive Order 05-19, has reviewed the proposed lease and the Project, and has applied the guidance set forth in the Guidance for Review of School Building Project Financing and the factors set forth in I.C. 20-46-7-11. The school has complied with the appropriate provisions of I.C. 6-1.1-20 and I.C. 20-46-7-8. After careful consideration of all facts, the Department of Local Government Finance takes the following action:

## FINDINGS:

1. Greenfield-Central Community School Corporation is located in Hancock County, Indiana, and the school board is the duly organized entity responsible for the establishment and operation of Greenfield-Central Community School Corporation, Hancock County.
2. The purpose of the lease rental agreement is to:
  - a. Renovate and expand the existing Greenfield High School to accommodate 1,700 students in instructional areas and 1,800 students in core areas; and
  - b. Construct a new Greenfield Middle School with a capacity of 850 students, with the capability for expansion; and
  - c. Expand cafeteria space for student dining and construct a new food preparation kitchen and serving line at Weston Elementary.
3. The total project cost, as presented to the Department of Local Government Finance, was \$75,000,000.
4. School officials properly advertised and held a notice of preliminary determination hearing on December 4, 2006.
5. An application for petition/remonstrance was filed before January 5, 2007. The petition/remonstrance process started on January 18, 2007 and ended on March 19, 2007. The vote on petition/remonstrance was 1,281 Yea, 0 Nay, and 0 abstaining. As a result, the original plan of approximately \$130,000,000 was modified.
6. Capital projects funds are not available for this project.
7. The persistence to graduation rate for this school corporation is at eighty-three percent (83%) and the graduation rate per Department of Education is at ninety-five percent (95%).
8. The school's current outstanding debt to assessed value ratio is four and fifteen hundredths percent (4.15%), not including this project.
9. Construction costs associated with the project exceed the construction cost thresholds established by the Department for 2007:
  - a. Construction of the new Greenfield Middle School: Construction cost per square foot is \$168.36 compared to the Department's threshold of \$157.30 per square foot; and
  - b. Addition to Weston Elementary School: Construction cost per square foot is \$435.34 compared to the Department's threshold of \$192.50 per square foot.

10. School officials stated the reason the Weston Elementary project exceeded the Department's thresholds was due to the nature of the addition; specifically, the addition will require more power to run large kitchen equipment, extensive plumbing, ceramic tile throughout the kitchen, exhaust systems, insulated slabs, much of which is required by the building and health codes.

11. The estimated proposed maximum Debt Service Tax Rate for this Project, as modified, is 0.4006, or 40¢ of \$100 of assessed valuation, within the Greenfield-Central Community School Corporation taxing district.

12. The School Property Tax Control Board made a favorable recommendation with a vote of 7-2 approving the proposed lease rental agreement with a maximum annual payment of \$5,986,000 for 26 years.

13. The modified approval ordered below is based on a reduction of the total project cost allowed to be financed under this Order. The total project cost shall not exceed \$72,850,000.

WHEREFORE, based on the above findings, it is therefore ordered that the Department hereby gives MODIFIED APPROVAL for the following:

1. Execution of a lease rental agreement of a portion of Greenfield-Central High School with the Greenfield Middle School Building Corporation, providing for the lease of school buildings for a term of twenty-six (26) years at a lease rental of \$827,500 per payment during renovation payable on June 30 and December 31 beginning on June 30, 2008 through and including December 31, 2010. The first full rental installment shall commence on the date that the school buildings are completed and ready for occupancy or June 30, 2011, whichever is later, at a maximum annual lease rental of \$2,386,000.

2. Execution of a lease rental agreement of a new middle school with the Greenfield Middle School Building Corporation, providing for the lease of a school building for a term of twenty-six (26) years at a maximum annual lease rental of \$2,282,000 commencing on the day the school building is completed and ready for occupancy or December 31, 2009, whichever is later.

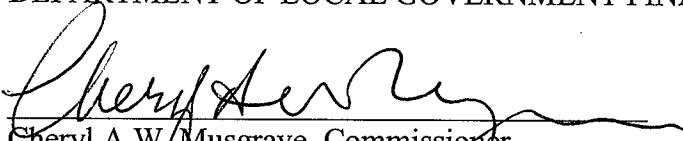
3. Execution of a lease rental agreement of a portion of Weston Elementary School with the Greenfield Middle School Building Corporation, providing for the lease of a school building for a term of twenty-six (26) years at a lease rental of \$500,000 per payment during renovation payable on June 30, 2008, December 31, 2008, and June 30, 2009. The first full rental installment shall commence on the date that the school building is completed and ready for occupancy or December 31, 2009, whichever is later, at a maximum annual lease rental of \$1,214,000.

This MODIFIED APPROVAL of the Department is limited to the projects described in file #07-024 as presented to the School Property Tax Control Board and the Commissioner for consideration.

If the construction bids received for the Project are lower than the estimated construction costs presented to the Department, the school corporation and building corporation shall amend the lease to lower the lease rental payments to amounts which will amortize the debt. The debt will be limited to the total of the construction bids, costs of issuance, soft construction costs, and construction contingencies. In total, the costs of issuance, soft construction costs, and construction contingencies shall not exceed the amounts presented to the Department of Local Government Finance for consideration.

To obtain a debt service rate for 2007 pay 2008, the unit must comply with the provisions of Indiana Code section 6-1.1-17-3. In addition, on or before January 31, 2008, the unit must execute the above issue and file with the Department of Local Government Finance a final amortization schedule.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

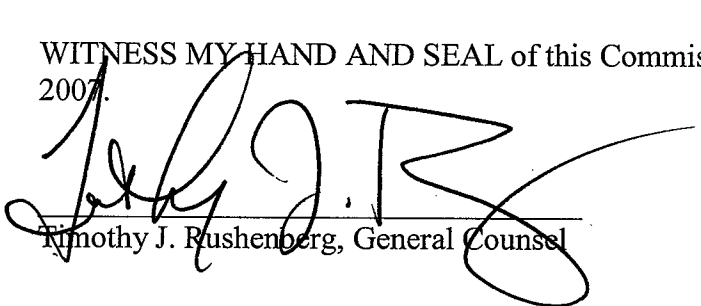
  
Cheryl A.W. Musgrave, Commissioner

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Timothy J. Rushenberg, General Counsel for the Department of Local Government Finance, do hereby certify that the above is a full, true, and complete copy of the order of the Commissioner made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Commissioner on this the 28<sup>th</sup> day of September, 2007.

  
Timothy J. Rushenberg, General Counsel

Ind. Code 5-1-18-1 *et seq.* requires local units of government to provide debt information to the DLGF not later than December 31 of the year in which the bonds are issued or the lease is executed. In addition, local units of government are also required to annually (before March 1) provide the DLGF with information regarding their outstanding debt obligations. The documents that must be completed can be found on the DLGF website: [http://www.in.gov/dlgf/rates/debt\\_reporting.html](http://www.in.gov/dlgf/rates/debt_reporting.html). Please submit completed documents electronically to [data@dlgf.in.gov](mailto:data@dlgf.in.gov). Questions regarding these documents may be directed to Cheryl Prochaska at (317) 244-4480.